

21 OCT 1964

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NOTE TO :

I agree that there is nothing we should do to respond to the Commission on this. At the same time, however, these new regulations make it perfectly clear that there can be no "horseplay" on comparing plans, advertizing, etc. In all that we write and in all that we say, I think we had better be extremely careful not to push our plan over others. I think you would be wise to ensure that each of your employees is unequivocally clear on this point. It would be dreadful for one of our customers to report directly to the Commission that someone in the Insurance Branch was pushing our insurance plan over the Blue Cross and other Government-wide plans.

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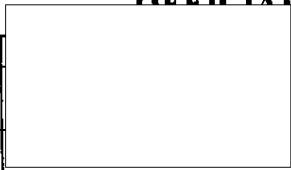
V Please discuss this next week, when you have your meeting re "inlitter accounts & requests" etc, next week.

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10/28/64  
10/28/64

Discussed with

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM					
UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	ADDRESS	DATE	INITIALS		
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
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Remarks:					
<p><i>I don't think we should do anything with this. Agree?</i></p> <p>STAT</p>					
FOL		DER			
FROM: NAME				DATE	
				10/12/68	
UNCLASSIFIED		CONFIDENTIAL		SECRET	

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

RI:JHF:smr

YOUR REFERENCE

OCT 8 1964

[Redacted]  
President  
Government Employees Health Ass'n., Inc.  
P. O. Box 463  
Washington 4, D. C.

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Dear Sir:

In the light of comments by carriers on the proposed advertising regulation published in the Federal Register of June 5, 1964, this Bureau is considering recommendation of the approach represented by the attached draft section which consolidates (and is intended to supersede) our present rules on advertising, with the addition that "display" advertising is clearly prohibited under all circumstances.

Before I present my recommendation for final action on the regulations to the Commission, I would like to have your comments on this approach. Because my presentation must be made very shortly, comments must be received within 10 days from the date of this letter.

Sincerely yours,

*Andrew E. Ruddock*

Andrew E. Ruddock  
Director

Enclosure

THE MERIT SYSTEM—A GOOD INVESTMENT IN GOOD GOVERNMENT

§ 890.204 Advertising and publicity.

(a) A carrier shall not advertise its participation in the Federal Employees Health Benefits Program or approval of its plan by the Commission.

(b) A carrier shall not advertise its plan approved under the Federal Employees Health Benefits Program or solicit enrollment in the plan or attempt to influence an employee to choose any one plan in preference to others.

(c) An employee is free to choose a plan based on the factual explanation of the plan contained in the official brochure prepared by the Commission in consultation with the carrier, free from the influence of publicity which may tend to inflate or emphasize a plan's benefits, understate or obscure its limitations, or seek to influence the employee's choice by favorably presenting the plan or any of its features through display or other unusually attractive format.

(d) Any publication or communication, through any medium, by, or inspired by, a carrier, a carrier's agent, representative, affiliate, or any other person with color of authority to act in the carrier's behalf is a violation of this section if it refers to an approved plan in such fashion that it directly or indirectly solicits, invites, or suggests that any employee enroll or continue his enrollment in the plan or if it contains any comparison of one plan with another or any indication that any plan is superior to another.

(e) Carriers are permitted to publish Commission news releases, complete and factually correct financial and statistical reports, and news or educational articles about a particular plan which will foster intelligent use of a plan's benefits or facilitate its claim settlements, or about matters concerning the program as a whole.

(f) Distribution of the official brochures prepared by the Commission in consultation with the carrier, without attachments or solicitation, is not a violation of this section.

(g) An employee organization may inform its members and prospective members that it sponsors a plan under the program, within the limits prescribed by paragraph (e) of this section.